


 John Molner

01/21/2003 11:32 AM

To: theodore roxford <troxford2000@yahoo.com>

cc:

Subject: Re: regarding our confidential talks today 

I've been out of the office for several days. Attached is a form of confidentiality which we can execute. I need your firm name, and contacts/references at KKR, Texas Pacific Group, and other firms that you've worked with recently.

I'd also like the names of your partners, and company name and address.

John Molner

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To: john.molner@bbh.com

cc:

Subject: regarding our confidential talks today

01/16/2003 09:36 PM

Confidential

Dear John,

January 16, 2003

It was a great pleasure speaking with you today and we look forward to putting together this transaction with you and bringing you a lot of terrific business. It would be an honor to introduce you to people that we do business with, such as Henry Kravis and Neil Richardson of KKR, David Bonderman and Stephen Peel of Texas Pacific Partners (if you don't already know them personally), Asher Edelman, Leucadia National, Guinness Peat Group, Franklin Resources Mutual Series, Anglo American, CVRD, Rio Tinto, Gold Fields, Cinven, Carlyle Group, International Paper, Vulcan Materials, UPM Kymmene, Ashanti Goldfields, and many other people who we do business with on a regular basis. As soon as you give us an indication that you would be interested in working with us conceptionally on this deal (after you have signed a confidentiality agreement

and we tell you the name of the Company and the strategy), we will give you all of our contact numbers for you to call to be able to do your due diligence on us.

As mentioned to you on the phone, we are doing a very large deal that is a well known international conglomerate headquartered in Japan that trades on the NYSE. We have been working out deals to acquire options on 4 of the largest shareholders' shares, and we are buying options and shares in the market. Our intention is to acquire enough shares and options to be able to make a very credible public bear hug proposal to the Board to offer to take the Company private at a significant premium to the market. We will pinpoint in detail all of the values of the Company and show how easily we can finance the deal by taking advantage of the financing laws in Japan, and by spinning off and pre-selling assets, and by taking advantage of the extremely low interest rates in Japan. This Company has very little debt and a lot of cash, stocks, and bonds, investments, and real estate, that can be used to finance the bid, and most of the little debt that they do have is at very low interest rates and is unsecured.

Just to give you an idea of what kind of profits we are talking about, if you were able to raise us just \$25 million, we could easily turn an investment of \$50 million into several hundred million in less than 3 months, as we intend to make a blockbuster bear hug proposal for the Company. What that means is that our bid will be made at double its current price! The stock and the options will go through the roof as soon as our bid goes public. However, on top of this - and this is where the real money is for all of us, - we will also be acquiring options on another 17 million shares that some of the major U.S. shareholders own, and we will be sharing the profits with you and with them on that.

For your advising us on the deal, raising us \$25 million, and being part of it, we will agree to pay your firm 20% of ALL of the gross profits. Your 20% gross profits on the shares, the options we buy in the market, and the options we acquire from the shareholders will easily be over \$100 million. Then there will be tremendous positive publicity for your investment banking firm as well. We would take all of the heat on the deal and you would receive all of the positive reactions. But we will do what is good for all the shareholders of this company, and we don't care about taking all of the heat. The important things are to get the shares and options as soon as possible and make the public bear hug bid before anyone else figures this deal out.

If you are unable to raise us \$25 million or more, what would you be able to raise for us, and could you do it in 2 - 3 weeks? All of the equity would stay with your firm, as we would simply want you to purchase the shares and options for us. We would have written agreements worked out with the major shareholders of which you would be the custodians

of. We would work with you on all the advice and strategy, although this is a very simple deal - even though it has never been done before.

This is what the assets of the target company are based on its present stock price: 15% is pure cash, 33% is pure stocks in very liquid companies worldwide, 25% is pure stocks and bonds in Japan, 25% is pure real estate all over the world (land, buildings, offices, malls, entertainment areas,). The rest of the company we get for free, and here is what that is comprised of: a conglomerate that brings in around US\$4 billion of reliable EBITDA annually in businesses that range from insurance, electronics, publishing, printing, films, television, cellular, communication, advertising, music, travel, banks, trading, circuit cards, games, electronics such as computers and cameras, chemicals, and many other profitable businesses that are too numerous to name in this short letter. In sum, the company is very undervalued. Their debt is minimal and it is 80% UNSECURED debt at very low interest rates.

Our strategy is to take advantage of the laws in Japan which state that we can use all of the liquid assets of the company for our bid. The liquid assets are almost as much as the whole company is selling for and that does not count any of its businesses! We will also take advantage of the extremely low interest rates in Japan for financing. The entire deal will take less than 3 months!

We could go to one of our corporate raider clients with this deal and they would do it in a second, but that would make no sense because we would be giving up 90% of the profits that way. We would rather give you 20% of the gross profits - for your acting as our investment bankers and for raising us as much as you are able to raise within the next 2 - 3 weeks.

Please e-mail back to us a very simple confidential agreement agreeing not to buy stock or options on ALEPH without us, and to not tell anyone about the deal for the next 12 months. The code name for the deal is ALEPH.

We are a very private partnership because that is how we like it to be. But I have worked in London for the past few years and the other partners have experience all over the world - including in Japan, and one of our partners speaks Japanese and was married to a Japanese women. We have all been international on many aspects - doing business and residing in London, Paris, India, Canada, Japan, other parts of Asia, and of course the U.S.

In our Florida offices you can reach us at either (321) 728-4302, (321) 728-4707, and/or on my private cell phone at (772) 713-9187. Should you decide to go forward with us as our investment bankers, you need to know that before we go public, your firm and our firm would have to delete permanently, and shred, every single piece of paper that was exchanged between

us from today onward (other than our signed agreements between us). I am sending you a copy of one of the deals we are currently involved with that we originated for our clients CVRD and Anglo. You will see that we put together very confidential and very large credible deals. The deal that we want to do with you as our investment bankers will start off hostile, but after it goes public, we have no doubt that there will be at least 3 to 4 other very credible bids that offer a great deal more money than we will be offering, and of course we will tender all of our shares and options to one of those bids. In the end, the Company's Board and management will take the Company private using our ideas about putting up the liquid assets for the financing, and selling off and spinning off assets to finance it all, and it will end up being done at the highest price. The stock used to trade at nearly 4 times what it is selling for currently.

What we are sending you as an attachment is a deal that we have been working on for months with 2 of our clients. We are obviously trusting you to keep this confidential and not to acquire stock or options in either company, which we know you would not do. We are sending this to you so that you can see what kind of work we do. This is a deal that we originated for our clients, and of which will go public later this year. It ends on page 42 (not at the Disclaimer)

Looking forward to hearing from you and receiving your very simple confidential agreement. Afternoons are best for us to talk with you, although you can still call us in the mornings if you are busy in the afternoons. Please do not call our clients until after we have disclosed the deal to you and you decide if you want to proceed based on the deal itself. Then the next step would be to give you a 100% comfort level on who we are and how we are capable of putting this deal into play. That we can do very easily once we know that you are definitely interested in the deal itself.

Very sincerely,

Theodore Roxford
troxford2000@yahoo.com
Hollingsworth, Mayer, Rothwell, & Roxford

Do you Yahoo!?
Yahoo! Mail Plus - Powerful. Affordable. Sign up now.
<http://mailplus.yahoo.com>



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